PRESS RELEASE

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL REPORT AS AT 31 MARCH 2021

REVENUES IMPACTED BY THE CONTINUATION OF MEASURES AGAINST COVID-19, RECOVERING SINCE APRIL

NET FINANCIAL INDEBTEDNESS IMPROVED ON 31 DECEMBER 2020, THEREBY CONFIRMING THE GROUP'S SOLID FINANCIAL STRUCTURE

STRATEGIC AND GREEN DEVELOPMENT ACTIVITIES CONTINUE

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- ***Revenues from sales*** *of Euro 16.6 million (Euro 20.0 million in the period ended 31 March 2020), of which Euro 0.6 million attributable to Worldconnect AG, consolidated with effect from August 2020.*
- ***Adjusted EBITDA***[1] *of Euro -1.2 million (Euro 0.8 million in the period ended 31 March 2020).*
- ***Adjusted Net Result***[2] *of Euro -1.7 million (Euro -0.8 million in the period ended 31 March 2020).*
- ***Net Financial Indebtedness*** *of Euro 42.3 million (Euro 49.0 million at 31 December 2020); leverage ratio*[3] *3.2x.*

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Reggio Emilia, 13 May 2021 - The Board of Directors of Cellularline S.p.A. (hereinafter "**Cellularline**" or the "**Company**" or the "**Group**"), a European leader in the sector of accessories for smartphones and tablets listed on the STAR Segment of the Italian Electronic Stock Exchange, today examined and approved the consolidated interim financial report as at 31 March 2021.

In accordance with applicable regulations, the consolidated interim financial report at 31 March 2021 is available from the Company's registered office and may be consulted on its website at the address www.cellularlinegroup.com, in addition to the authorised storage facility "1infostorage" operated by Computershare S.p.A. at the address www.1info.it.

Marco Cagnetta, **Co-CEO** of the Cellularline Group, commented: "*The first quarter of 2021 was marked by the pandemic containment measures. Despite this, we have continued to implement our medium/long-term strategic development guidelines, overseeing markets and channels, investing in brands and new products, guided also by our strong focus on the transition of our business model towards environmental and social sustainability criteria. We believe that through this tangible commitment, we can look to the future with renewed enthusiasm and optimism*".

[1] Adjusted EBITDA is calculated as EBITDA adjusted for *i*) non-recurring charges/(income), *ii*) the effects of non-recurring events, *iii*), events relating to extraordinary transactions and *iv*) operating foreign exchange gains/losses.

[2] *Adjusted Net Result* is calculated as adjusted Result of the Period of the *i*) adjustments incorporated in Adjusted EBITDA, *ii*) adjustments of amortisation and depreciation relating to the Purchase Price Allocation, *iii*) adjustments of non-recurring financial charges/(income) and *iv*) the theoretical tax impact of these adjustments.

[3] The leverage ratio is the ratio of Net Financial Indebtedness to the Adjusted EBITDA for the last 12 months.

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Overview of Q1 2021 and Covid-19

The first quarter of the current year (which historically weighs less than 20% of annual revenues) ended with a lower performance compared to the same period last year, due to both the continued lockdowns imposed by the Authorities and the effects of Covid-19, which in last year's quarter only started from the second half of March, after the Group had recorded a positive performance during the first two months of 2020.

Analysis of consolidated revenue

In the first quarter of 2021, the Group's **sales revenues** totalled Euro 16.6 million, or 17.0% less than in the same period last year (Euro 20.0 million). The change in the scope of consolidation, due to the additional contribution of Worldconnect AG compared to the first quarter of 2020, amounted to Euro 0.6 million.

Revenue by product line

The table below shows sales by product line:

in thousands of Euro	**Reference period**				**Change**	
	Q1 2021	**% of revenue**	**Q1 2020**	**% of revenue**	**Value**	**%**
Red – Italy	6,950	51.0%	6,344	39.9%	607	9.6%
Red – International	6,674	49.0%	9,547	60.1%	(2,873)	(30.1%)
Revenues from Sales – Red	**13,624**	**81.9%**	**15,891**	**79.3%**	**(2,266)**	**(14.3%)**
Black – Italy	602	48.5%	417	28.1%	185	44.5%
Black – International	639	51.5%	1,064	71.9%	(425)	(39.9%)
Revenues from Sales – Black	**1,241**	**7.5%**	**1,481**	**7.4%**	**(240)**	**(16.2%)**
Blue – Italy	1,562	90.4%	1,772	69.4%	(210)	(11.9%)
Blue – International	166	9.6%	780	30.6%	(615)	(78.8%)
Revenue from sales – Blue	**1,728**	**10.4%**	**2,553**	**12.7%**	**(825)**	**(32.3%)**
Others	42	0.3%	117	0.6%	(75)	(64.1%)
Total revenue from sales	**16,636**	**100.0%**	**20,041**	**100.0%**	**(3,406)**	**(17.0%)**

The analysis of sales for the individual product lines shows that:

- the **Red Line**, which represents the Group's core business through the marketing of accessories for smartphones and tablets and the audio products of the **Group's proprietary brands**[4], accounted for almost two-thirds of the performance for the period, recording a drop of 14.3% (Euro 2.3 million[5]). While performance on the domestic market was positive (9.6%), thanks to the recovery in orders in anticipation of the progressive normalization of the demand, export markets (-30.1%) were affected both by the fact that in the first quarter of 2020 the effects of the pandemic were felt later than in Italy, and by the particularly restrictive measures implemented in some European countries in the first quarter of 2021; in particular, the lockdown applied in Germany slowed down the Group's implementation of the new route-to-market for this specific market;

[4] Cellularline, AQL, MusicSound, Ploos+, Skross, Q2Power and Nova.
[5] Worldconnect's contribution to the Red Line was Euro 0.6 million.

- the **Black Line**, which mainly includes Interphone branded motorcycle accessories, recorded a decrease of 16.2% (Euro 0.2 million), mainly as a result of the trend in export markets, only partially offset by the good performance of the domestic market, driven by on-line sales made through the dedicated proprietary website;
- the **Blue Line**, dedicated to the sale of **third-party brand** products under distribution agreements, recorded a decrease of 32.3% (Euro 0.8 million), as a result of the restrictions applied to telephone shops, which mainly penalised the Telco channel, both in the domestic and export markets.

  With reference to the contribution made by the newly acquired company Worldconnect (included in the Red Line), it should be noted that the Airport Travel Retail channel, the Company's main reference channel, is still heavily penalised by restrictions on the movement of people between countries at global level.

Revenue by geographical area

The table below shows sales by geographical area:

in thousands of Euro	**Reference period**				**Change**	
	Q1 2021	**% of revenue**	**Q1 2020**	**% of revenue**	**Δ**	**%**
Italy	9,156	55.0%	8,650	43.2%	506	5.9%
5 main European markets	4,867	29.3%	8,200	40.9%	(3,333)	(40.6%)
Other countries	2,612	15.7%	3,191	15.9%	(579)	(18.1%)
Total revenue from sales	**16,636**	**100,0%**	**20,041**	**100,0%**	**(3,406)**	**(17.0%)**

As far as the analysis by geographical area is concerned, there was a higher incidence of the **domestic market** (11.8%) compared to the same period of the previous year, mainly due to the decrease (40.6%) in the sales recorded on the **5 main European markets**[6], which together represent about one third of the total revenues of the Group at the end of the period under review.

The different performances recorded in these five markets were closely related to the type and duration of lock-downs implemented by the various authorities, with Germany, Benelux and Switzerland particularly affected while Spain and France recorded slight growth compared to the previous period.

Analysis of operating profit and consolidated profit for the year

Turning to an analysis of costs in the first quarter 2021:

- the **Cost of sales**, net of the non-recurring impact of Euro 0.2 million - stemming from our collection from customers of merchandise unsold because of Covid-19, as part of our partnership - amounted to Euro 9.9 million, corresponding to 59.5% of sales.
  Excluding this effect, **Adjusted EBITDA** was 40.5%, a decrease of 0.7% compared to the same period last year, primarily due to the effect of fixed costs, logistics and staff, included in cost of sales.
- **Selling and distribution costs** and **General and administrative costs** totalled Euro 11.2 million in the reporting period, corresponding to 67.1% of sales.
  The total overheads mentioned above, adjusted for the impact of: *i*) Purchase Price Allocation[7] (Euro 1.6 million), *ii*) D&A (Euro 1.2 million), *iii*) Extraordinary expenses (Euro 0.5 million)[8] amounts to Euro

[6] Germany/Austria, France, Spain/Portugal, Switzerland and Benelux.
[7] The purchase price allocation mainly originated from the accounting effects of the business combination in June 2018 and the acquisitions of Systema and Worldconnect.
[8] Extraordinary costs refer mainly to costs related to Covid-19 (Euro 0.2 million) and strategic consulting (Euro 0.6 million).

8.0 million (Euro 7.5 million in Q1 2020) and shows an increase in the incidence on sales of 10.4%, as a direct consequence of the lower absorption of fixed costs due to the drop in revenues.

Adjusted EBITDA amounted to Euro -1.2 million in the period under review, down (Euro -2.0 million) on the same period of the previous year due to the effects of the third wave of Covid-19; given the seasonality of the business - historically the first quarter accounts for less than 5% of the annual total - this impact has a limited effect in absolute terms.
The Group's Adjusted EBITDA was also impacted by a moderate negative impact of Euro 0.2 million arising from the consolidation of Worldconnect for the three months (whose Airport Travel Retail channel is still the one most affected by Covid-19).

Net financial expenses in the first quarter of 2021, amounting to Euro -1.0 million, were down by Euro 0.1 million - net of the negative effect (Euro 0.8 million) of the valuation of the debt related to outstanding warrants - compared to the first quarter of 2020. This decrease is mainly attributable to lower interest expense for the period following the amortisation of the medium/long-term bank loan.

The **Adjusted Net Result** for the period was Euro -1.7 million, after total adjustments for non-recurring items of Euro 2.2 million, and was down Euro 0.9 million compared to the first quarter of 2020, mainly due to the lower percentage margin in the period described above.

Analysis of consolidated net financial indebtedness and operating cash flow

Net financial debt, amounting to Euro 42.3 million at 31 March 2021, was down by Euro 6.7 million compared to 31 December 2020 (Euro 49.0 million), while the leverage ratio at the end of the period was unchanged at 3.2x compared to the end of the year.

Period **operating cash flow** came to Euro 8.6 million, thanks to an effective management of Operating Working Capital, and confirms the Group's cash generation capacity.
Cash and cash equivalents (Euro 16.4 million), the committed credit facility for M&As inherent in the existing medium/long-term loan agreement (Euro 20.0 million) and undrowned trade credit facilities (Euro 21.0 million) ensure the Group's high level of equity and financial solidity, as well as adequate flexibility for possible future acquisitions and distribution of dividends.

Significant events in Q1 2021, other than the Covid-19 effects

In addition to that mentioned above, the following events took place in the year:

- **Appointment of the Chief Corporate & Financial Officer and Manager responsible for financial reporting** (February): the Board of Directors appointed Davide Danieli - effective 21 April 2021 - as Chief Corporate & Financial Officer and Manager responsible for financial reporting pursuant to article 154-bis of Italian Legislative Decree no. 58/1998, with the approval of the Board of Statutory Auditors, as he meets the requirements in the Articles of Association to hold this office. In addition to having earned a degree in Economics from the University of Turin in 2000 and completed the Executive MBA program at Altis - Università Cattolica of Milan, Danieli has, in his 20-year career, gained vast experience in AFC, Tax and HR and personally contributed to the transformation and digitalisation of business processes, M&As, post-merger integrations and the optimisation of business performance to maximise value for shareholders.

Significant events after the close of FY 2020

- **Shareholders' Meeting of 28 April:**
  - approval of the financial statements for the year ended 31 December 2020 and allocation of the Profit for the year to reserves on the basis of the provisions of the Articles of Association

and article 2430 of the Italian Civil Code, taking into account the exceptional emergency situation generated in 2020 by the Covid-19, the current context of socio-economic uncertainty and the difficult assessment of the effects that this continuing situation may still have on the economy;
  - approval of the "*2021-2023 Cellularline Group Incentive Plan*" (the "**Long Term Incentive Plan**") for the Company's and the Group's executive directors, key managers and other key resources, with the aim of creating incentives to develop a culture among senior management highly oriented towards creating value and continuously improving business results and the Company's equity performance;
  - approval of the increase in the number of members of the Board of Directors from 10 to 11 and appointment of a new member of the Board of Directors.
- **Launch of new Eco-friendly accessories** (April): expansion of the BECOME range with new environmentally-friendly chargers and cables produced with biodegradable and compostable materials that allow a significant reduction of the plastic used.

Business outlook

As throughout 2020, in which - despite the challenging context - management managed to complete many projects underpinning the Company's future growth plans, management is completely focused on the following strategic areas:

- **Core business**: implementation of the new route-to-market for the German market with negotiations already well underway with the leading consumer electronics operator for direct access to the market and development of distribution activities in Europe for Altec Lansing branded products;
- **M&A**: scouting for potential opportunities in EMEA in the channels less covered by the Group;
- **E-Commerce**: definition of a business model related to the E-Commerce channel with the support of consultants specialised in the implementation of digital projects;
- **ESG**: acceleration of the ESG project through a definitive road-map towards a medium/long-term sustainable business model, to which the management incentive system is also linked.

The trend for 2021 will be influenced by the type and duration of the restrictive measures put in place by the authorities depending on the evolution of the pandemic; this is demonstrated by the sell-out data received from our retail customers, which show a clear trend of recovery in demand for the Group's products, starting from April following the extension of the aforementioned restrictive measures.
The start of the vaccination campaign, which is progressively accelerating at European level, allows us to assume that the acute phase of the emergency is now over and that a gradual recovery is expected as early as the second quarter of 2021.

Legal statements

The Manager responsible for financial reporting, Davide Danieli, states, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act, that the financial reporting in this press release corresponds with the documentary records, ledgers and accounting entries.

The following are appended:

- **Annex A**: the IFRS financial statements of the consolidated interim financial report as at 31 March 2021, examined and approved by the Board today;
- **Annex B**: the consolidated income statement, reclassified as deemed more representative of the Group's operating profitability by the management.

Analyst conference call

The management will present the consolidated results for the period ended 31 March 2021 to the financial community during a conference call to be held on 14 May 2021 at 12:00 CET.
To participate in the conference call, dial: +39 02 805 88 11
The slides from the presentation and any supporting material will be available before the start of the conference call, on the site www.cellularlinegroup.com/investors/presentazioni.

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Other resolutions

- On the basis of the declarations rendered by the interested party and the information available to the Company, the Board of Directors also ascertained the existence of the integrity requirements established by law for the director Marco Di Lorenzo, elected by the Shareholders' Meeting on 28 April 2021, and took note of the declaration of variation of the independence requirements made by the director Marco Di Lorenzo, who does not qualify as an independent director pursuant to the applicable provisions and the Corporate Governance Code.
  It is noted that the director Marco Di Lorenzo holds n. 1.000 shares in Cellularline S.p.A. as of today.
  The curriculum and the positions currently held by the director Marco Di Lorenzo are available on the website, at www.cellularlinegroup.com, within the Investor Relations section.
- The Board of Directors also appointed Davide Danieli, Chief Corporate & Financial Officer and Manager in charge of preparing the accounting and corporate documents, as Investor Relator of the Group, with effect from today.

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*Cellularline S.p.A., founded in Reggio Emilia in 1990, is, together with its brands **Cellularline**, **PLOOS**, **AQL**, **MusicSound**, **Interphone** and **SKROSS**, the leading company in the smartphone and tablet accessories sector. The Group is at the technological and creative forefront of the multimedia device accessories industry, striving to deliver products synonymous with outstanding performance, ease of use and a unique user experience. The Group currently has 240 employees. Cellularline brand products are sold in over 60 countries.*

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ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of Euro)	31/03/2021	Of which related parties	31/12/2020	Of which related parties
ASSETS				
Non-current assets				
Intangible assets	72,837		74,940	
Goodwill	106,133		106,408	
Property, plant and equipment	7,764		7,924	
Right-of-use assets	1,943		1,749	
Deferred tax assets	3,277		1,782	
Loan assets	542	542	555	555
Total non-current assets	**192,497**		**193,358**	
Current assets				
Inventories	32,142		32,963	
Trade receivables	39,373	5,757	52,704	5,244
Current tax assets	1,036		1,528	
Loan assets	191		108	
Other assets	3,651		4,780	
Cash and cash equivalents	16,645		8,629	
Total current assets	**93,038**		**100,711**	
TOTAL ASSETS	**285,535**		**294,069**	
EQUITY AND LIABILITIES				
Equity				
Share capital	21,343		21,343	
Other reserves	158,174		157,761	
Retained earnings	28,687		15,451	
Profit for the year attributable to owners of the parent	(3,942)		13,900	
Equity attributable to owners of the parent	**204,262**		**208,455**	
Equity attributable to non-controlling interests	-		-	
TOTAL EQUITY	**204,262**		**208,455**	
LIABILITIES				
Non-current liabilities				
Loans and borrowings from banks and other lenders	35,542		35,027	
Deferred tax liabilities	2,317		2,552	
Employee benefits	672		720	
Provisions for risks and charges	1,705		1,697	
Other financial liabilities	5,987		5,961	
Total non-current liabilities	**46,223**		**45,957**	
Current liabilities				
Loans and borrowings from banks and other lenders	10,249		10,039	
Trade payables	10,715		15,485	
Current tax liabilities	1,945		1,869	
Provisions for risks and charges	65		65	
Other liabilities	4,751		5,531	
Other financial liabilities	7,326		6,668	
Total current liabilities	**35,050**		**39,657**	
TOTAL LIABILITIES	**81,273**		**85,614**	
TOTAL EQUITY AND LIABILITIES	**285,535**		**294,069**	

ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2021

CONSOLIDATED INCOME STATEMENT

(thousands of Euro)	Q1 2021	Of which related parties	Q1 2020	Of which related parties
Revenue from sales	16,636	743	20,041	1,141
Cost of sales	(10,079)		(11,782)	
Gross operating profit	**6,557**		**8,259**	
Selling and distribution costs	(5,547)		(5,347)	
General and administrative costs	(5,725)	(18)	(5,367)	(22)
Other non-operating (costs) /revenues	110		248	
Operating profit/(loss)	**(4,605)**		**(2,206)**	
Financial income	84		763	
Financial expenses	(1,096)		(412)	
Foreign exchange gains/(losses)	(68)		(19)	
Gains/(losses) on equity investments	-		-	
Profit/(loss) before tax	**(5,685)**		**(1,873)**	
Current and deferred taxes	1,742		175	
Profit for the year before non-controlling interests	**(3,942)**		**(1,698)**	
Profit for the year attributable to non-controlling interests	-		-	
Profit for the year attributable to owners of the parent	**(3,942)**		**(1,698)**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of Euro)	Q1 2021	Q1 2020
Profit for the year attributable to owners of the parent	**(3,942)**	**(1,698)**
Other comprehensive income that will not be reclassified to the income statement		
Actuarial gains (losses) on defined benefit plans	59	(16)
Actuarial gains (losses) on provisions for risks	64	28
Gain/(loss) on the translation of foreign operations	(304)	(2)
Income taxes on other comprehensive income	(34)	-
Other comprehensive expense for the year	**(215)**	**10**
Total comprehensive income for the year	**(4,158)**	**(1,688)**

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ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2021

CONSOLIDATED STATEMENT OF CASH FLOW

(thousands of Euro)	**Q1 2021**	**Q1 2020**
Profit for the year	(3,942)	(1,698)
Amortisation	2,792	2,537
Net impairment losses and accruals	71	40
Financial (income)/expenses accrued	1,012	362
Current and deferred taxes	(1,742)	(175)
Other non-monetary movements	194	-
	(1,616)	**1,065**
(Increase)/decrease in inventories	751	(4,467)
(Increase)/decrease in trade receivables	13,281	7,284
Increase/(decrease) in trade payables	(4,770)	(5,220)
Increase/(decrease) in other assets and liabilities	1,062	(2,409)
Payment of employee benefits and change in provisions	47	(15)
Cash flow generated (absorbed) by operating activities	**8,757**	**(3,762)**
Interest paid	-	(362)
Income taxes paid/set off	(133)	751
Net cash flow generated (absorbed) by operating activities	**8,624**	**(3,372)**
(Purchase)/sale of property, plant and equipment and intangible assets	(1,009)	(863)
Net cash flow generated (absorbed) by investing activities	**(1,009)**	**(863)**
Other financial assets and liabilities	(323)	(933)
Other changes in equity	-	-
Increase/(decrease) in loans and borrowings from banks and other lenders	650	-
Payment of transaction costs relating to financial liabilities	75	357
Net cash flow generated (absorbed) by financing activities	**401**	**(576)**
Increase/(decrease) in cash and cash equivalents	**8,016**	**(4,811)**
Opening cash and cash equivalents	**8,629**	**32,089**
Closing cash and cash equivalents	**16,645**	**27,278**

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ANNEX B

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(thousands of Euro)	**Q1 2021**	**Of which related parties**	**% of revenue**	**Q1 2020**	**Of which related parties**	**% of revenue**
Revenue from sales	16,636	743	*100%*	20,041	1,141	*100%*
Cost of sales	(10,079)		*-60.6%*	(11,782)		*-58.8%*
Gross operating profit	**6,557**		***39.4%***	**8,259**		***41.2%***
Selling and distribution costs	(5,547)		*-33.3%*	(5,347)		*-26.7%*
General and administrative costs	(5,725)	(18)	*-34.4%*	(5,367)	(22)	*-26.8%*
Other non-operating (costs)/revenue	110		*0.7%*	248		*1.2%*
Operating profit/(loss)	**(4,605)**		***-27.7%***	**(2,206)**		***-11.0%***
* of which depreciation and amortisation (including PPA depreciation and amortisation)	2,796		*16.8%*	2,539		*12.7%*
* of which non-recurring Covid-19 costs	183		*1.1%*	-		-
* of which M&A and other non-recurring costs	459		*2.8%*	491		*2.4%*
* of which operating foreign exchange gains/(losses)	(49)		*-0.3%*	(54)		*-0.3%*
Adjusted operating profit/loss (EBITDA)	**(1,216)**		***-7.3%***	**770**		***3.8%***
Financial income	84		*0.5%*	763		*3.8%*
Financial expenses	(1,096)		*-6.6%*	(412)		*-2.1%*
Foreign exchange gains/(losses)	(68)		*-0.4%*	(19)		*-0.1%*
Profit/(loss) before tax	**(5,685)**		***-34.2%***	**(1,873)**		***-9.3%***
Current and deferred taxes	1,742		*10.5%*	175		*0.9%*
Profit for the year attributable to owners of the parent	**(3,942)**		***-23.7%***	**(1,698)**		***-8.5%***
* of which PPA amortisation	1,607		*9.7%*	1,516		*7.6%*
* of which non-recurring Covid-19 costs	183		*1.1%*	-		-
* of which M&A and other non-recurring costs	459		*2.8%*	491		*2.4%*
* of which fair value expense (income) on the warrant	751		*4.5%*	(713)		*-3.6%*
* of which tax effect on the above items	(795)		*-4.8%*	(375)		*-1.9%*
Adjusted Group profit/loss for the period	**(1,737)**		***-10.4%***	**(779)**		***-3.9 %***